***Taxes and Tax Vocabulary***

Starting on Page 12, review the different types of taxes.

1. \_\_\_\_\_\_\_\_\_\_ Tax

* How many states charge their citizens a state income tax?
* What is a progressive tax system?
* What is an income tax bracket?
* Which states do NOT have a state income tax?

2. \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Tax (In our notes yesterday this was called Payroll Tax)

* What does FICA stand for?
* What is the purpose of this tax?

3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Tax

* What kind of things does this tax pay for?
* Sales tax is a flat tax. What does this mean?
* Name another tax from today’s assignment that is NOT a flat tax?

4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Tax

* Who pays this tax?
* How often do they have to pay this tax?
* Who decides how much this tax will be?
* On what does Eagle County most likely spend the money collected from this tax?

5. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Tax

* What is another name for this tax and WHY is it called that?
* Where is the most expensive place to buy cigarettes?
* What else is taxed with an excise tax?
* What is the money used for?

***\*\*\*PERIODS 1 AND 3: RAISE YOUR HAND WHEN YOU GET THIS FAR\*\*\****

6. Explain the difference between a direct and an indirect tax.

7. Read “Is Sugar Under Attack.” Share your opinion on this topic and give the two main reasons you feel this way.

8. What does IRS stand for and what is their function?

9. Name two departments listed on page 21 and describe their function.

* 1)
* 2)

10. Use the search function to find “**tax evasion**.” Define it.

11. What is the consequence for tax evasion?

12. Search “**tax audit**.” Define it.

13. Define and give an example of “**exemption**” and “**deduction**.”